Danone Biscuits Manufacturing (M) Sdn Bhd (formerly known as Britania Brands (M) Sdn Bhd) v Hwa Tai Industries Bhd

HIGH COURT (JOHOR BAHRU) — SUIT NO 22–180 OF 2001
AZAHAR MOHAMED J
17 JANUARY 2010

Trade Marks — Passing off — Whether plaintiff acquired goodwill in trademark — Whether plaintiff entitled to exclusive use of trademark, get up and packaging — Whether there was passing off

Trade Marks — Registered trademark — Action for infringement — Whether plaintiff's trademark valid and subsisting at time suit filed — Whether use of trademark by defendant for identical goods amounted to infringement of plaintiff's registered trademark — Whether likely to cause mistake, deception or confusion — Trade Marks Act 1976 s 38

The plaintiff, a part of the Danone group of companies incorporated in France, has been carrying out the manufacture and sale of chocolate chip cookies bearing the trademark ChipsMore in Malaysia since 1990. Sometime around 5 April 2001, the plaintiff discovered that the chocolate chip cookies manufactured and sold by the defendant bearing the trademark ChipsPlus had a get-up and packaging similar to the plaintiff's cookies. The plaintiff requested the defendant to cease and desist from the unlawful act of manufacturing and selling chocolate chip cookies using the get-up and packaging that was confusingly similar with the plaintiff's. When the defendant continued with the unlawful act the plaintiff brought the present suit against the defendant. In essence, the plaintiff claimed that the defendant's ChipsPlus trademark infringed the plaintiff's registered trademark and that the defendant was passing off the plaintiff's ChipsMore trademark for the chocolate chip cookies bearing the ChipsPlus trademark. By way of this action, the plaintiff sought, inter alia, a permanent injunction to restrain the defendant from manufacturing or selling the defendant's chocolate chip cookies and damages. The plaintiff averred that it had registered the ChipsMore trademark, which trademark had been valid and subsisting at all material times and was enforceable throughout Malaysia under the Trade Marks Act 1976 ('the Act'), and that by virtue of extensive sales, advertising and promotion of the chocolate chip cookies bearing the ChipsMore trademark, it had acquired substantial goodwill and reputation in its business. It was therefore the plaintiff's contention that the use of the

ChipsPlus trademark by the defendant for identical goods, namely chocolate chip cookies, amounted to infringement of the plaintiff's registered ChipsMore trademark. With regard to passing off of the trademark, it was the plaintiff's contention that the defendant's act of distributing and selling chocolate chip cookies bearing the ChipsPlus trademark, get up and packaging amounted to passing off of the defendant's cookies as for the plaintiff's. The plaintiff thus averred that if the defendant was not restrained from carrying out its acts of distributing and selling the defendant's cookies in Malaysia, then the plaintiff will suffer irreparable loss and damage to its business. In reply, the defendant submitted that the registration of the ChipsMore trademark by the plaintiff had lapsed and was not valid at the time of filing of the present suit. In addition, the defendant submitted that the ChipsPlus trademark, get up and packaging was not confusingly similar with the plaintiff's trademark. The defendant further submitted that since the plaintiff had failed to satisfy the test of trademark infringement as laid out in s 38 of the Act, there was no infringement of the plaintiff's trademark.

Held, allowing the plaintiff's claim with costs:

(1) The defendant's argument that the plaintiff's trademark was not valid and subsisting at the time the plaintiff commenced the present action could not hold. The certificate of registration and the renewal certificate renewing the said registration were conclusive evidence to prove that the plaintiff's ChipsMore trademark was valid at the time when the plaintiff filed the present suit (see paras 10 & 13).

(2) Under s 38 of the Act, the infringement of the registered mark should be likely to deceive or cause confusion. The operative word pertaining to infringement in s 38 of the Act is the word 'likely', which denotes that what was required to be established was only the probability or possibility of confusion. In the present case there could be no doubt that there was the indistinguishable phonetic representation of the prefix 'chips', and while 'plus' and 'more' are two different words, there was a sufficient resemblance in idea. The true test was whether the totality of the trademark was such that it was likely to cause mistake, deception or confusion. Having regard to the totality of the circumstances of the case and considering the appearance of the two marks with their features, the mark ChipsPlus used by the defendant was found to so nearly resemble the plaintiff's trademark ChipsMore as to be likely to cause confusion. In view of the fact that the plaintiff had not authorised or licensed the defendant to use the Chipsplus trademark for identical goods, there had been an infringement of the plaintiff's registered ChipsMore trademark by the defendant under s 38(1) of the Act (see paras 14, 16–17 & 21).

(3) In the present case, the plaintiff had adduced evidence to show that it had expended substantial sums of money in promoting and advertising the ChipsMore trademark, get-up and packaging and had thus acquired substantial goodwill and reputation in its business and trade in chocolate chip cookies bearing the ChipsMore trademark, which became distinctive of the plaintiff. As such, the plaintiff was entitled to the exclusive use of the ChipsMore trademark, get up and packaging (see para 23).

(4) In this case, where the chocolate chip cookies of the plaintiff and the defendant were in direct competition with one another, the court would infer the likelihood of the damages to the plaintiff's goodwill through the loss of sales. Thus the defendant had passed off its products as the products of the plaintiff (see para 26).

[Bahasa Malaysia summary

Plaintif, sebahagian daripada kumpulan syarikat Danone yang ditubuhkan di Perancis, telah menjalankan pembuatan dan penjualan biskut cip coklat yang mempunyai tanda dagangan ChipsMore di Malaysia sejak tahun 1990. Sekitar 5 April 2001, plaintif mendapat tahu bahawa biskut cip coklat yang dibuat dan dijual oleh defendan yang mempunyai tanda dagangan ChipsPlus mempunyai cara gaya dan pembungkusan yang sama dengan biskut plaintif. Plaintif telah meminta defendan untuk menghentikan dan berhenti daripada tindakan menyalahi undang-undang membuat dan menjual biskut cip coklat dengan menggunakan cara gaya dan pembungkusan yang mengelirukan sama seperti plaintif. Apabila defendan meneruskan dengan tindakan menyalahi undang-undang itu plaintif telah memulakan guaman ini terhadap defendan. Pada dasarnya, plaintif telah mendakwa bahawa tanda dagangan ChipsPlus defendan telah melanggar tanda dagangan berdaftar plaintif dan bahawa defendan telah mengelirupaan tanda dagangan ChipsMore plaintif sebagai biskut cip coklat yang mempunyai tanda dagangan ChipsPlus. Melalui tindakan ini, plaintif memohon, antara lain, injunksi tetap untuk menghalang defendan daripada membuat atau menjual biskut cip coklat defendan dan ganti rugi. Plaintif menegaskan bahawa ia telah mendaftarkan tanda dagangan ChipsMore, yang merupakan tanda dagangan yang sah dan wujud pada setiap masa matan dan adalah berkuat kuasa di seluruh Malaysia di bawah Akta Cap Dagangan 1976 ('Akta'), dan bahawa menurut jualan, pengiklanan dan promosi yang meluas terhadap biskut cip coklat yang mempunyai tanda dagangan ChipsMore, ia telah mendapat nama baik dan reputasi yang kukuh dalam perniagaannya. Oleh itu hujahan plaintif adalah bahawa penggunaan tanda dagangan ChipsPlus oleh defendan untuk barangan yang sama iaitu biskut cip coklat, membentuk pelanggaran tanda dagangan berdaftar ChipsMore plaintif. Berhubung kelirupaan tanda dagangan itu, hujahan plaintif adalah bahawa tindakan defendan mengedar dan menjual biskut cip coklat yang mempunyai tanda dagangan, cara gaya

dan pembungkusan ChipsPlus membentuk kelirupaan biskut defendan seperti untuk plaintif. Plaintif dengan itu menegaskan bahawa jika defendan tidak dihalang daripada menjalankan tindakannya mengedar dan menjual biskut defendan di Malaysia, maka plaintif akan mengalami kehilangan dan kerugian yang tidak dapat digantikan terhadap perniagaannya. Defendan telah menjawab dengan menghujahkan bahawa pendaftaran tanda dagangan ChipsMore oleh plaintif telah luput dan tidak sah pada masa pemfailan guaman ini. Tambahan pula, defendan menghujahkan bahawa tanda dagangan, cara gaya dan pembungkusan ChipsPlus tidak mengelirukan sama seperti tanda dagangan plaintif. Defendan selanjutnya menghujahkan bahawa memandangkan plaintif telah gagal untuk memenuhi ujian pelanggaran tanda dagangan seperti yang dinyatakan dalam s 38 Akta, tidak ada pelanggaran terhadap tanda dagangan plaintif.

Diputuskan, membenarkan tuntutan plaintif dengan kos:

(1) Hujah defendan bahawa tanda dagangan plaintif adalah tidak sah dan wujud semasa plaintif memulakan tindakan ini tidak boleh kekal. Sijil pendaftaran dan sijil pembaharuan memperbaharui pendaftaran tersebut adalah keterangan yang tidak boleh dipertikaikan untuk membuktikan bahawa tanda dagangan ChipsMore plaintif adalah sah semasa plaintif memfailkan guaman ini (lihat perenggan 10 & 13).

(2) Di bawah s 38 Akta, pelanggaran tanda berdaftar sepatutnya berkemungkinan memperdaya atau menyebabkan kekeliruan. Perkataan yang tepat sekali berkaitan pelanggaran dalam s 38 Akta adalah perkataan 'likely', yang bererti bahawa apa yang perlu dibuktikan adalah hanya kebarangkalian atau kemungkinan berlaku kekeliruan. Dalam kes ini tidak boleh diragukan bahawa terdapat pernyataan fonetik yang tidak dapat dibezakan tentang awalan 'chips', dan manakala 'plus' dan 'more' adalah dua perkataan yang berbeza, terdapat persamaan yang mencukupi dari segi idea. Ujian sebenar adalah sama ada keseluruhan tanda dagangan itu sebegitu rupa sehingga ia mungkin boleh menyebabkan kesilapan, penipuan atau kekeliruan. Setelah mengambilkira keseluruhan keadaan kes dan mempertimbangkan rupa dua tanda tersebut dengan ciri-cirinya, tanda ChipsPlus yang digunakan oleh defendan didapati begitu serupa dengan tanda dagangan ChipsMore plaintif sehingga mungkin boleh menyebabkan kekeliruan. Berdasarkan fakta bahawa plaintif tidak memberi kuasa atau lesen kepada defendan untuk menggunakan tanda dagangan ChipsPlus untuk barangan yang sama, terdapat pelanggaran tanda dagangan ChipsMore plaintif oleh defendan di bawah s 39(1) Akta (lihat perenggan 14, 16–17 & 21).

(3) Dalam kes ini, plaintif telah mengemukakan keterangan untuk menunjukkan bahawa ia telah membelanjakan sejumlah besar wang

untuk mempromosi dan mengiklankan tanda dagangan, cara gaya dan pembungkusan ChipsMore dan oleh itu telah mendapat nama baik dan reputasi yang kukuh dalam perniagaan dan dagangannya dalam biskut cip coklat yang mempunyai tanda dagangan ChipsMore, yang menjadi ciri tersendiri plaintif. Oleh itu plaintif berhak terhadap penggunaan eksklusif tanda dagangan, cara gaya dan pembungkusan ChipsMore (lihat perenggan 23).

(4) Dalam kes ini, di mana biskut cip coklat plaintif dan defendan bersaing secara langsung antara satu sama lain, mahkamah membuat inferens kemungkinan ganti rugi untuk nama baik plaintif melalui kerugian jualan. Oleh itu defendan telah mengelirupaan produknya sebagai produk plaintif (lihat perenggan 26).]

Notes

For cases on action for infringement, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) paras 2125–2126.

For cases on passing off in general, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) paras 2050–2123.

Cases referred to

Accutreu Trade Mark [1966] RPC 152, CA (refd)
Egg Products Ltd's Application (1922) 39 RPC 155 (refd)
Harry Reynolds v Laffeaty's Ltd, Dodwell & Coy Ltd, and S Guiterman & Coy Ltd [1958] RPC 387, Ch D (refd)
JC & J Field Ltd v Wagel Syndicate Ltd (1900) 17 RPC 266 (refd)
Pianotist Co's Application, The (1906) 23 RPC 774 (folld)
Seet Chuan Seng & Anor v Tee Yih Jua Foods Manufacturing Pte Ltd [1994] 2 MLJ 770, SC (refd)
Tohtonku Sdn Bhd v Superace (M) Sdn Bhd [1992] 2 MLJ 63; [1992] 1 CLJ (Rep) 344, SC (refd)
William Bailey (Birmingham) Ltd's Application (1935) 52 RPC 136 (refd)

Legislation referred to

Trade Marks Act 1976 ss 35, 38, 38(1)

Gerald Samuel (Miranda & Samuel) for the plaintiff.
Lua Ai Siew (Soo Thien Ming & Nashrah) for the defendant.

Azahar Mohamed J:

[1] The plaintiff is a part of the Danone Group of Companies Generale Biscuit SA, a company that is incorporated in France with its registered address at 4–6, Rue Edouard Vaillant 91200 Athis-Mons, France. The plaintiff carries out the manufacture, distribution and sale of, among others

chocolate chip cookies bearing the trademark ChipsMore. The ChipsMore chocolate chip cookies manufactured by the plaintiff have been sold in Malaysia since 1990. The plaintiff's ChipsMore chocolate chip cookies are not only distributed nationwide but are also exported to other countries in the region, such as Maldives, Vietnam, Indonesia, Singapore, Thailand and the Philippines.

[2] Sometime on 5 April 2001 or thereabout, the plaintiff discovered that the chocolate chip cookies manufactured by the defendant which were being sold in the market bearing the trademark 'CHIPSPLUS' and a get-up and packaging which, according to the plaintiff, were confusingly similar with the plaintiff's ChipsMore trademark, get-up and packaging. After that, the plaintiff had through its solicitors, issued a letter to the defendant requesting that the defendant cease and desist from its unlawful act. However, the defendant had through its solicitors, denied the same and continued with the manufacture, sale and distribution of chocolate chip cookies bearing the CHIPSPLUS trademark, get-up and packaging. Subsequently, the plaintiff brought the present action against the defendant. In essence, the plaintiff claims that:

(a) the defendant's trademark CHIPSPLUS has infringed the plaintiff's registered trademark ChipsMore (trademark infringement claim); and

(b) the defendant is passing off the plaintiff's ChipsMore trademark, get-up and packaging by manufacturing or otherwise offering for sale chocolate chips cookies bearing the CHIPSPLUS trademark, get-up and packaging (claim in passing off).

[3] In this action, the plaintiff prays for a permanent injunction to restrain the defendant from manufacturing or otherwise offering for sale the defendant's CHIPSPLUS chocolate chips cookies, an order for delivery up of the defendant's CHIPSPLUS chocolate chips cookies which are in the defendant's possession and control, and damages.

THE PLAINTIFF'S CASE

[4] The plaintiff has registered the ChipsMore trademark under trademark registration No 90/07035(B) as 'ChipsMore' in class 30 in respect of biscuits, which includes chocolate chip cookies. The registration of the plaintiff's registered 'ChipsMore' trademark is and has been valid and subsisting at all material times and is enforceable throughout Malaysia under the Trade Marks Act 1976 ('the Act'). Besides Malaysia, the ChipsMore trademark is also registered in other countries such as France and China by the proprietor of the mark being Generale Biscuit SA. The plaintiff has sold an extensive and substantial quantity of chocolate chip cookies bearing the ChipsMore

trademark, get-up and packaging in Malaysia. By virtue of the sales, advertising, and promotion, the plaintiff has acquired substantial goodwill and reputation in its business and trade in chocolate chip cookies bearing the ChipsMore trademark get-up and packaging.

[5] With regard to trademark infringement, it is the contention of the plaintiff that the CHIPSPLUS trademark applied to the defendant's chocolate chip cookies is phonetically and visually similar, as well as semantically identical, to the plaintiff's registered ChipsMore trademark applied to chocolate chip cookies. The plaintiff contended that the use of the CHIPSPLUS trademark by the defendant for identical goods, namely, chocolate chip cookies amount to infringement of the plaintiff's registered 'ChipsMore' trademark.

[6] With regard to passing off of trademark, get-up and packaging, the plaintiff averred that the striking similarities between the ChipsMore trademark, get-up and packaging and the CHIPSPLUS trademark, get-up and packaging, renders the trade and the public to be confused and/or deceived. The defendant's acts of distributing and selling chocolate chip cookies bearing the CHIPSPLUS trademark get-up and packaging amount to passing off of the defendant's CHIPSPLUS chocolate chip cookies as and for the plaintiff's ChipsMore chocolate chip cookies.

[7] It is the plaintiff's case that the acts and conducts of the defendant are calculated to misappropriate the commercial advantage enjoyed by the plaintiff through its goodwill and reputation in the ChipsMore trademark, get-up and packaging. The plaintiff avers that it will suffer serious and irreparable loss and damage to its business, reputation and goodwill if the defendant is not restrained from carrying out its acts of distributing and selling the defendant's offending chocolate chip cookies in Malaysia.

THE DEFENDANT'S CASE IN SUMMARY

[8] It is the contention of the defendant that the registration of ChipsMore trademark by the plaintiff has lapsed and/or irregular and/or invalid. The defendant denies that the trademark, get-up and the packaging of CHIPSPLUS is confusingly similar with the trademark, get-up and the packaging of ChipsMore. The defendant contends that the plaintiff has failed to satisfy the test of trademark infringement as laid out in s 38 of the Act whereby the mark used by the defendant ie CHIPSPLUS is likely to deceive or cause confusion in the course of the trade. Thus, there is no infringement of the plaintiff's trademark pursuant to the provisions in s 38 of the Act.

[9] The defendant also contends that the essence of passing off is the existence of goodwill and the plaintiff has the onus to prove the existence of goodwill in the ChipsMore trademark. The defendant avers that the plaintiff has failed to show that the trademark, get-up and packaging of CHIPSPLUS are confusingly similar and/or deceptively similar with that of the trademark, get-up and packaging of ChipsMore.

FINDINGS OF THE COURT WITH REGARDS TO THE TRADEMARK INFRINGEMENT CLAIM

[10] Learned counsel for the defendant has argued that the trademark of the plaintiff, ChipsMore is not valid and subsisting at the time of filing of the present suit. Now, based on the renewal certificate, the wording shown in it is as follows:

> I hereby certify that the above Trade Mark registration has been renewed for a period of 10 years until 29.10.2007.

[11] While it is not being disputed that the trademark was in the first place registered on 29 October 1990 in Part B, class 30 of the register of trademark, according to the renewal certificate, it is evident that:

(a) the period of registration is to be renewed from the date of its expiry ie 29 October 1997–29 October 2007; and

(b) the word 'renewed' clearly shown the continuance of the trademark registration until 29 October 2007.

[12] It is to be noted that the plaintiff's writ of summons was issued on 26 April 2001. In this regard, s 35 of the Act states as follows:

(i) Subject to the provisions of this Act, the registration of a person as registered proprietor of a trade mark (other than a certification trade mark) in respect of any goods or services shall if valid, give or be deemed to have been given to that person the exclusive right to the use of the trade mark in relation to those goods or services subject to any condition, amendments or limitations entered in the Register.

[13] Thus, in my view, the certificate of registration (exh P2) and the renewal certificate (exh P3) are conclusive evidence to prove that the plaintiff's Chipsmore trademark is valid and subsisting trademark at the time the plaintiff commenced the present action.

[14] Section 38 of the Act sets forth the rules on trademark infringement as follows:

38 Infringement of a trademark.

(1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either:

(a) as being use as a trade mark;

(b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular, or other advertisement, issued to the public, as importing a reference to a person having the right either as registered proprietor or as registered user to use the trade mark or to goods with which the person is connected in the course of trade; or

(c) in a case in which the use is use at or near the place where the services are available or performed or in an advertising circular or other advertisement issued to the public, as importing a reference to a person having a right either as registered proprietor or as registered user to use the trade mark or to services with the provision of which the person is connected in the course of trade.

[15] In *Tohtonku Sdn Bhd v Superace (M) Sdn Bhd* [1992] 2 MLJ 63; [1992] 1 CLJ (Rep) 344, the Supreme Court held:

Under s 38 of the trademark Act, a registered trademark is infringed by a person who uses a mark which:

(a) is identical with; or

(b) so nearly resembling it was likely to deceive; or

(c) so nearly resembling it as is likely to cause confusion.

[16] It is important to take note that the operative word pertaining to infringement in s 38 of the Act, is '*likely* to deceive or cause confusion'. 'Likely' denotes that what is required to be established is only probability or possibility of confusion. In addressing this issue, it is necessary to take into account the meaning conveyed by the words or the ideas suggested by them, as was held in *Harry Reynolds v Laffeaty's Ltd, Dodwell & Coy Ltd, And S Guiterman & Coy Ltd* [1958] RPC 387 where the court held that there was a sufficient resemblance in appearance, sound and idea between 'Aquamatic' and 'Watermatic' to render the latter an infringement of the registered mark 'Aquamatic'.

[17] For one thing, in the present case, there can be no doubt that there is the indistinguishable phonetic representation of the prefix 'chips'. For

A another, while 'PLUS' and 'More' are two different words, there is a sufficient resemblance in idea. In deciding similarity between two words, the words have to be considered as a whole. When comparing the two words to see whether one would be confused with and mistaken for the other, the words should be compared as a whole and not merely comparing syllable, and that B regard should be paid to the fact that the word is to be used upon goods similar to those upon which the other party is being used (see *William Bailey (Birmingham) Ltd's Application* (1935) 52 RPC 136). The true test is whether the totality of the trademark is such that it is likely to cause mistake, deception, or confusion. In the case of *Egg Products Ltd's Application* (1922) C 39 RPC 155, the word 'Egall' was held similar to 'Egroll' as to make confusion likely.

[18] It is important to emphasise that the plaintiff's ChipsMore trademark D is used in a distinctive packaging for chocolate chip cookies with the following distinctive features: plastic packaging of rectangular shape containing the said chocolate chip cookies; the ChipsMore trademark; the placing of the 'ChipsMore' trademark in a wavelike manner, printed prominently on the front and sides of the rectangular plastic packaging; the E colour yellow applied to the whole of the packaging, including the front and back; the representation of the product, ie a chocolate chip cookie, depicted on the right hand side of the packaging; the chocolate chips scattered across the packaging concentrated mainly on the right of the packaging and tapering off towards the left of the packaging; a blue swathe spanning across F the packaging from left to right.

[19] In my view, one cannot disregard the descriptive element 'Chips' and only focus on 'More' and 'PLUS'. The likelihood of confusion is to be decided by a comparison of the words as a whole. In this regard, reference can G be made to the case of *Accutreu Trade Mark* [1966] RPC 152 where 'ACCUTRON' was held similar to 'ACCUR1ST' and in *JC & J Field Ltd v Wagel Syndicate Ltd* (1900) 17 RPC 266, where 'Savoline' was held similar to 'Savonal'. As stated by Parker J in *The Pianotist Co's Application* (1906) 23 RPC 774:

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> ... You must take the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the circumstances; and you must further I consider what is likely to happen if each of those trademarks is used in a normal way as a trademark for the goods of the respective owners of the marks.

[20] I have had the benefit of seeing and examining the plaintiff's registered trademark, 'Chipsmore' and the defendant's trademark CHIPSPLUS. In

comparing both the marks, I observe and find as follows:

(a) the identical phonetic representation of the prefix 'Chips';

(b) the similar import of the suffixes 'PLUS' and 'More';

(c) the omission of the space between the two individual words 'CHIPS' and 'PLUS', corresponding to omission of the space between the two individual words 'Chips' and 'More';

(d) the larger letter 'C' of the prefix and 'P' of the suffix compared to the rest of the CHIPSPLUS trademark, corresponding to the larger letter 'C' of the prefix and 'M' of the suffix compared to the rest of the ChipsMore trademark; and

(e) the similar stylised double perimeter around the alphabets of both trademarks.

[21] In my view, having regard to the totality of the circumstances of the case and applying the test mentioned in the *Pianotist Co's Application* and considering the appearance of the two marks with their features, the mark 'CHIPSPLUS' used by the defendant so nearly resembles the plaintiff's trademark 'ChipsMore' as to be likely to cause confusion. I should add a further point to give some context. The similarity between the two marks is great that there is a high likelihood of confusion ensuing if any purchase of chocolate chip cookies is made by reference to the marks. In view of the fact that the plaintiff has not authorised or licensed the defendant to use that registered trademark, the use of the CHIPSPLUS trademark by the defendant for identical goods, namely, chocolate chip cookies amounts to infringement of the plaintiff's registered 'ChipsMore' trademark under s 38(1) of the Act.

FINDINGS OF THE COURT WITH REGARDS TO CLAIM IN PASSING OFF

[22] In the case of *Seet Chuan Seng & Anor v Tee Yih Jua Foods Manufacturing Pte Ltd* [1994] 2 MLJ 770, the Supreme Court held that:

> The principle of law regarding passing off has been plainly stated by Lord Parker in *Spalding v Gamage* 84 LJ Ch 449 'and that is, that nobody has any right to represent his goods as the goods of somebody else'. It is therefore wrong for a trader to conduct his business as to lead to the belief that his goods or business is the business of another. For an authority on passing off, we could do no better than to quote the words of Lord Diplock in the leading speech in *Erven Warnink v Townend & Sons (Hull) Ltd*:

A My Lords, *AG Spalding & Bros v AW Gamage Ltd*, 84 LJ Ch 449 and the later cases make it possible to identify five characteristics which must be present in order to create a valid cause of action for passing off:

(1) a misrepresentation (2) made by a trader in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied B by him, (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence) and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so.

C In an action for passing off, damage is also an essential element of the tort and it is necessary for the plaintiff to establish that he has suffered damage. However, if the goods in question, as in this case, are in direct competition with one another, the court will readily infer the likelihood of damage to the plaintiff's goodwill through loss of sales and loss of the exclusive use of his name.

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[23] In present case, PW1 has given evidence regarding the proof of sale and extensive advertising done by the plaintiff in regard of the brand name ChipsMore. The plaintiff has actively and extensively promoted chocolate chip cookies bearing the ChipsMore trademark, get-up and packaging E through posters, billboards and national television. The plaintiff has expended substantial sums of money in promoting and advertising the ChipsMore trademark, get-up and packaging. In my view, by virtue of the sales, advertising and promotion, the plaintiff has acquired substantial goodwill and reputation in its business and trade in chocolate chip cookies F bearing the ChipsMore trademark, get-up and packaging. The ChipsMore trademark, get-up and packaging have become distinctive of the plaintiff in that the ChipsMore trademark, get-up and packaging are associated in the minds of the purchasing public and the trade with the plaintiff's chocolate chip cookies of a certain quality originating from or associated with the G plaintiff. In my view, the plaintiff is entitled to the exclusive use of the ChipsMore trademark, get-up and packaging in connection with chocolate chip cookies to the exclusion of others including the defendant. Based on the evidence adduced, it is my view that the plaintiff has goodwill and reputation in its Chipsmore trademark and the packaging of the Chipsmore chocolate H chip cookies by having the Chipsmore trademark in a wavelike manner, with the colours blue and yellow on the packaging.

[24] I have had the benefit of seeing and examining the plaintiff's Chipsmore trademark, get-up and packaging and the defendant's I CHIPSPLUS trademark, get-up and packaging. In comparison, I observe and find the following:

	The plaintiff's ChipsMore	The defendant's CHIPSPLUS	Observation by the court
1	Plastic packaging of rectangular shape containing the chocolate cookie.	Plastic packaging of rectangular shape containing the chocolate cookie.	The plastic packaging is similar.
2	The ChipsMore trademark	The CHIPSPLUS trademark	1 CHIPSPLUS is in capital letters. 2 The prefix is the same. 3 The suffix is different; similarity in idea. 4 The letter C and P of CHIPSPLUS are designed similar to ChipsMore's C and M.
3	The placing of the ChipsMore trademark in a wave like manner	The placing of the CHIPSPLUS is curvy	There is similarity in the way the trademark is being designed, be it wave like or curvy.
4	The house mark 'DANONE' printed on the upper left hand side of the front of the packaging as well as its sides	The house mark 'Luxury' is printed on upper left of the front packaging	The placing of both house marks at the upper left are the same.
5	The colour yellow is applied to the whole of the packaging including the front and back	The yellow colour packaging is used	The yellow colour used by both marks are very similar
6	The chocolate chips scattered across the packaging concentrated mainly on the right of the packaging and tapering off towards the left of the packaging.	3 pieces of chocolate chips cookies for front panel and 2 pieces of cookies for side panel are depicted on the packaging to give effect to the contents of the packaging.	1 The placing of a picture of the brand's chocolate cookies in both trademarks is similar. 2 Both trademarks are placed on the right side of the packaging.

7	A blue swathe spanning across the packaging from left to right.	There is blue swathe in the packaging.	The blue swathe bears similarity in both marks.

[25] Taken as a whole and based on my observation, it is my finding that the defendant's CHIPSPLUS trademark, get-up and packaging are confusingly and deceptively similar to the plaintiff's chipsmore trademark, get-up and packaging. In my view, the striking similarities render the trade and public to be confused as they are identical goods. More so as they are offered for sale to consumers either side by side or at the same section of supermarkets and other retail outlets. In this manner, the likelihood of confusion between the two products is extremely high. The defendant's CHIPSPLUS chocolate chip cookies are sold alongside the plaintiff's ChipsMore chocolate chip cookies and appeal to precisely the same segment of customers; purchasers who recognise a product by reference to the general get-up, colour and shape of a product, will be misled. Indeed, taking into account the price of chocolate chip cookies, little time would be spent to scrutinise the respective get-up or the parts of the get-up, which refer to the origin of the respective products.

[26] In my view, the Chipsmore trademark, get-up and packaging have become distinctive of the plaintiff's product and the use by the defendant of similar trademark, get-up and packaging are likely to deceive or cause deception or confusion to a potential buyer of chocolate chip cookies. In this case, where the chocolate chip cookies of the plaintiff and defendant are in direct competition with one another, the court will infer likelihood of damage to the plaintiff's goodwill through the loss of sale. Therefore, I find that the defendant has passed off its products as the products of the plaintiff.

CONCLUSION

[27] Therefore, based on all the previously mentioned reasons, the plaintiff's claim is allowed with costs. I would make an order in terms to the plaintiff's statement of claim, paras 36(l)(a), (b), (c), (d) and (e); (2) and (3).

Plaintiff's claim allowed with costs.

Reported by Kohila Nesan